

**ASSEMBLY BILL**

**No. 3024**

---

**Introduced by Assembly Member Duvall**

February 22, 2008

---

An act to amend Section 7103 of the Public Contract Code, relating to payment bonds.

LEGISLATIVE COUNSEL'S DIGEST

AB 3024, as introduced, Duvall. Payment bonds: public works.

Existing law requires every original contractor who is awarded a public works contract by a state entity, as defined, involving an expenditure in excess of \$5,000 to file a payment bond.

This bill instead would require every original contractor who is awarded a public works contract by a state entity involving an expenditure in excess of an amount calculated as the cost limit by the Director of Finance, as specified, to file a payment bond.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 7103 of the Public Contract Code is
- 2 amended to read:
- 3 7103. (a) (1) Every original contractor to who is awarded a
- 4 contract by a state entity, as defined in subdivision (d), involving
- 5 an expenditure in excess of ~~five thousand dollars (\$5,000)~~ *the*
- 6 *amount calculated as the total cost limit pursuant to subdivision*
- 7 *(b) of Section 10105* for any public work shall, before entering ~~up~~
- 8 *upon* the performance of the work, file a payment bond with and

1 approved by the officer or state entity by who the contract was  
2 awarded. The bond shall be in a sum not less than one hundred  
3 percent of the total amount payable by the terms of the contract.

4 ~~The~~

5 (2) *The* state entity shall state in its call for bids for any contract  
6 that a payment bond is required in the case of such an expenditure.

7 (b) A payment bond filed and approved in accordance with this  
8 section shall be sufficient to enter upon the performance of work  
9 under a duly authorized contract—~~which~~ *that* supplements the  
10 contract for which the payment bond was filed if the requirement  
11 of a new bond is waived by the state entity.

12 (c) For purposes of this section, providers of architectural,  
13 engineering, and land surveying services pursuant to a contract  
14 with a state entity for a public work shall not be deemed an original  
15 contractor and shall not be required to post or file the payment  
16 bond required in subdivisions (a) and (b).

17 (d) For purposes of this section, “state entity” means every state  
18 office department, division, bureau, board, or commission, but  
19 does not include the Legislature, the courts, any agency in the  
20 judicial branch of government, or the University of California. All  
21 other public entities shall be governed by ~~the provisions of~~ Section  
22 3247 of the Civil Code.

23 (e) For purposes of this section, “public work” includes the  
24 erection, construction, alteration, repair, or improvement of any  
25 state structure, building, road, or other state improvement of any  
26 kind.